

## CITY OF SAN ANTONIO ECONOMIC INCENTIVES



### DEVELOPMENT FINANCING PROGRAMS

#### Program Description:

The City of San Antonio has created non-profit corporations for the purpose of financing certain types of development through bonds or loans. The **Industrial Development Authority (IDA)** can issue taxable and tax-exempt bonds to acquire land and construct industrial or manufacturing facilities with a development cost under \$10 million. The **Health Facilities Development Corporation (HFDC)** can issue tax-exempt bonds for non-profit organizations toward the development of health care facilities. The **Education Facilities Corporation (EFC)** may issue tax-exempt bonds for capital improvements at institutions of higher education, as well as accredited schools, providing primary and/or secondary education services.

Bond financing may permit borrowers to finance an entire project, including equipment. The feasibility of a prospective bond financing will be largely determined by the financial strength of the borrower and the credit worthiness of a transaction. Industrial Development Revenue Bonds may be subject to an annual state allocation. In conjunction with legal counsel specializing in such transactions, we will work with a prospective borrower and their underwriters, advisors, and legal counsel to structure a feasible bond issue.

Borrowers must pay two fees to these conduit bond corporations: (1) an application fee of \$2,500 and (2) an issuance fee of \$20,000 at closing.

In addition to conduit financing, the South Texas Business Fund (STBF) has always recognized the diversity of small businesses and their needs (See STBF Section). They offer loan products that range from \$15,000 to \$4 million, with longer terms and competitive fixed rates. They work closely with the U.S. Small Business Administration (SBA), the U.S. Economic Development Administration (EDA), the U.S. Department of Housing and Urban Development (HUD), and area banks in offering various loan programs to their customers.

#### How to Apply:

For more information on bonds and loans, please contact the Economic Development Department at (210) 207-8080 or (210) 207-3932.